

Chapter 18

ETHICS AND FINANCIAL DISCLOSURE*

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ARTICLE I. IN GENERAL

Sec. 18-1. Policy.

It is the policy of the city that all city officials and candidates for city elective office shall act and conduct themselves, both inside and outside the city's service, so as to give no occasion for distrust of their integrity, credibility or devotion to the best interests of the city and the public trust that it holds. To this end, there is established in this chapter an ethics committee for the city. The purpose of the committee is to accept and review complaints of impropriety on the part of city officials and candidates for city elective office including, but not limited to, conflicts of interest such as the use of offices or employment for private gain, the granting and exchanging of favored treatment to persons, businesses, or organizations, and the conduct of activities that engender opportunities to influence government decisions for personal gain or advantage, or that might otherwise bring discredit on or to the city. Additionally, the policy of the city in adopting article IV of this chapter is:

- (1) to eliminate any undue influence or the appearance of undue influence,
- (2) to prohibit solicitation of campaign funds by city employees or certain appointed officials, and

***Editor's note**—Section 1 of Ord. No. 87-59, enacted Jan. 14, 1987, amended Ch. 18 to read as set forth herein in §§ 18-1—18-3, 18-11—18-17 and 18-21—18-27. Prior to such amendment, Ch. 18 consisted of §§ 18-1—18-12 which also pertained to ethics and financial disclosure and derived from §§ 16-11—16-22 of the 1968 Code as amended by Ord. No. 81-2238, § 1, enacted Nov. 4, 1981 and Ord. No. 82-732, §§ 1—3, enacted April 28, 1982.

Cross references—Prohibited interest in wrecker companies, § 8-326; prohibited interest in contracts let by city, § 15-1; investigation of employees misconduct (police and firefighters), § 34-160 et seq.

- (3) to reduce the pressure on incumbents to spend increasing amounts of time raising funds for campaigns.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 92-1245, § 1, 9-16-92; Ord. No. 00-690, § 1, 7-26-00)

Sec. 18-2. Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where otherwise expressly provided in this chapter or where the context clearly indicates a different meaning:

Benefit means anything reasonably regarded as economic gain or economic advantage, including benefit to any other person in whose welfare the beneficiary is interested.

Business means any activity engaged in for economic gain, whether professional, industrial or commercial, and whether established to produce or deal with a product, service, or property including but not limited to, activities operated in the form of a sole proprietorship, limited partnership, general partnership, corporation, joint stock company, joint venture, receivership or trust or in any other form. The term "business" shall also include activities engaged in for charitable, educational or philanthropic purposes.

Candidate means a person who knowingly and willingly takes affirmative action for the purpose

of gaining election to city office or for the purpose of satisfying financial obligations incurred by the person in connection with the campaign for election. The term of the candidate shall also include an office holder of a city elective office or an office holder elect. To the extent that any candidate elects to receive contributions or make expenditures through a "specific-purpose committee" as that term is defined by section 251.001 of the Texas Election Code, then the specific-purpose committee shall be regarded as the agency of the candidate and the actions of the specific-purpose committee shall be deemed to be actions of the candidate who is utilizing the specific-purpose committee. Examples of affirmative action include:

- (1) the filing of a campaign treasurer appointment;
- (2) the filing of an application for a place on a ballot;
- (3) the filing of declaration of a write-in candidacy;
- (4) the making of a public announcement of a definite intent to run for city office in a particular election, regardless of whether the specific office is mentioned in the announcement;
- (5) before a public announcement of intent, the making of a statement of definite intent to run for city office and the soliciting of support by letter or other mode of communication; and
- (6) the soliciting or accepting of a campaign contribution or the making of a campaign expenditure.

City elective office means the offices of the mayor, the various city council positions and the city controller.

City official means the elected city officials, appointive officials as defined at Article Va, Section 2(a) of the city Charter, assistant city attorneys, persons holding executive level employee positions as defined at Article Va, Section 2(f) of the city Charter, and appointed members of city boards, committees and commissions and any person whose services are donated to the city. The

term includes full-time and part-time service and service on a long-term or short-term basis, whether undertaken pursuant to a written agreement or otherwise.

Committee means the ethics committee.

Contract means each contract having a value in excess of \$30,000.00 that is let by the city for professional services, personal services, high-technology goods, construction or services, or other goods or services of any other nature whether the contract is awarded on a negotiated basis, request for proposal basis, competitive proposal basis or formal sealed competitive bids.

Contract award period means relative to a contract means the period commencing at the time of posting of the city council meeting agenda including an item for the award of the contract and ending upon the 30th day after the award of the contract by city council or a determination by city council or the mayor that the contract will not be awarded to a contractor.

Contractor means any person who has submitted a bid or proposal in any form for the award of a contract and who has been proposed to be awarded the contract in an item placed upon the city council agenda and any other person who seeks the award of the contract and is contesting, appealing or protesting the award of the contract as proposed. The term shall include the proprietor for a proprietorship, each partner having an equity interest of ten percent or more for a partnership and each corporate officer, corporate director or holder of ten percent or more of the outstanding shares of stock for a corporation.

Donated means provided without charge to the city or for compensation of \$1.00 per year or less.

Elected city official means any person who holds a city elective office, whether through election or through an appointment to fill an unexpired term thereof.

Election means the process by which individuals (whether opposed or unopposed) seek election to city elective offices. A run-off election is a separate election.

Impropriety means conduct that violates or gives the appearance that one or more of the ethical standards established in section 18-3 herein have been violated.

Interest in real property includes any leasehold, beneficial interest, ownership interest or an option to acquire any such interest in real property.

Member of household means:

- (1) A person who is the city official's or candidate's child, ward, parent or other relative, or the child, ward parent or other relative of such official's or candidate's spouse, and who shares the city official's or candidate's legal residence; or
- (2) A person who is the city official's or candidate's spouse, child, ward, parent or such relative of the city official's or candidate's spouse, and over whose financial affairs and holdings the city official or candidate has legal or actual control, whether or not they share a legal residence.

Misconduct means an act committed in violation of a penal law of the United State or of the State of Texas, or an act committed in violation of any penal provision of this Code.

Person means an individual, corporation, partnership, labor organization, or an unincorporated association, firm, committee, political committee, club or other organization or group of persons whether associated with a political party or element thereof, or not.

Personal loan means a contribution, loan or other advance from personal resources made to a candidate's campaign by the candidate or personal funds expended on a campaign by a candidate for which reimbursement will be sought or any loans made to a candidate's campaign which are guaranteed in whole or in part by the candidate.

Salaried means receiving compensation from the city in any amount.
(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 92-1245, §§ 2, 3, 9-16-92; Ord. No. 94-1387, §§ 1, 2, 12-21-94; Ord. No. 00-690, § 2, 7-26-00)

Sec. 18-3. Standards of conduct.

- (a) No city official shall:
 - (1) Engage in any business or professional activity that might reasonably tend to conflict with the discharge of official duties.
 - (2) Invest or hold any investment or interest directly or indirectly in any financial, business, commercial or other transaction, that creates or might reasonably tend to create a conflict between the public trust held as an official of the city and the official's private interests.
 - (3) Disclose confidential information concerning the property, operations, policies or affairs of the city, or use such confidential information to advance the personal interests, financial or otherwise of said official or others, or accept employment or engage in business or professional activity that the official might reasonably expect would require or induce him to disclose confidential information acquired by reason of his official position.
 - (4) Use one's official position or the city's facilities, equipment or supplies for the private gain or advantage of the official or others, or use or attempt to use one's official position to secure special advantage for the official or others.
 - (5) Negotiate for or accept future employment with any person, firm, association or corporation that has a substantial interest in any proposed ordinance or decision within such person's area of responsibility and upon which the official may or must act or make a recommendation subsequent to such negotiation or acceptance.
 - (6) Appear before the body of which the official is a member while representing any private person, group or interest.
 - (7) Engage in or promote ideas and/or actions that would demean and defame any particular ethnic group, racial minority group, special interest group and/or religious group.

(b) No salaried city official shall:

- (1) Represent, directly or indirectly, any private person, group or interest before any agency of the city, except in matters of purely civic or public concern and when doing so, without compensation or remuneration.
- (2) Represent, directly or indirectly, any private person, group or interest in any action or proceeding against the interests of the city, or in any litigation in which the city or any agency thereof is a party. However, this provision shall not prohibit representation by a group, firm or organization the city official is associated with if such city official does not participate in the action, proceeding or litigation in any manner and does not receive any benefit directly or indirectly from the action or proceeding.
- (3) Represent, directly or indirectly, any private person, group or interest in any action or proceeding in the municipal courts of the city that was instituted by a city officer or employee in the course of official duties.

The provisions of this subsection shall not be construed to prohibit elected city officials and their staffs, while acting in the course and scope of their duties, from rendering assistance to constituents in obtaining city services, licenses, permits or in transacting other routine matters of public business with city departments or agencies, provided that no preferential treatment or consideration is requested on behalf of the constituents.

The provisions of section 1-6 of this Code shall not be applicable to this section. The provisions of this article shall be cumulative of any other applicable requirements imposed by this Code. (Ord. No. 87-59, § 1, 1-14-87; Ord. No. 89-1683, § 1, 11-15-89)

Sec. 18-4. Chapter cumulative.

This chapter is cumulative of and supplemental to applicable state and federal laws and regulations. Compliance with the provisions of this

chapter shall not excuse or relieve any person from any obligation imposed by state or federal law regarding ethics, financial reporting, campaign financing or any other issue addressed in this chapter.

(Ord. No. 92-1245, § 4, 9-16-92)

Secs. 18-5—18-10. Reserved.**ARTICLE II. ETHICS COMMITTEE****Sec. 18-11. Created; purpose.**

There is hereby created and established the ethics committee ("committee") for the city to administer and implement this chapter. The committee shall have the duty and power to review and investigate allegations of impropriety on the part of city officials and candidates for city elective office.

(Ord. No. 87-59, § 1, 1-14-87)

Sec. 18-12. Composition.

The ethics committee shall consist of seven persons of good moral character who shall be adult residents of the city. The mayor shall direct certain organizations to nominate the members of the committee. The positions shall be filled as follows:

- (1) *Position 1:* By a member of the legal community. The Houston Bar Association shall nominate the person to fill the position from the legal community.
- (2) *Position 2:* By a member of the labor community. The Central Labor Council of the AFL-CIO shall nominate the person to fill the position from the labor community.
- (3) *Position 3:* By a member of the medical community. The Harris County Medical Society shall nominate a person to fill the position from the medical community.
- (4) *Positions 4, 5, 6 and 7:* By four members from the city community-at-large. The city council shall nominate the persons to fill these four positions.

The city council shall confirm all nominations for positions on the committee. If any nominee is